

## Message Text

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44

ACTION STR-04

INFO OCT-01 ARA-06 IO-10 ISO-00 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 EB-07 FRB-03 H-02 INR-07 INT-05 L-03

LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01

AF-06 EA-07 EUR-12 NEA-10 /131 W

----- 083487

R 151821Z AUG 75

FM USDEL MTN GENEVA

TO SECSTATE WASHDC 382

INFO AMEMBASSY BRASILIA

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PASS STR

E.O. 11652: N/A

TAGS: ETRD, GATT

SUBJECT: QR CONSULTATIONS

BEGIN UNCLASSIFIED

1. THE FOLLOWING NOTE RECEIVED TODAY FROM BRAZIL  
VIA THE GATT SECRETARIAT IN RESPONSE TO U.S. RE-  
QUEST FOR QR CONSULTATION:

QUOTE: IN CONNEXION WITH YOUR LETTERS CGT/803-

8.2, DATED JUNE 18 AND 24, 1975, WHEREWITH YOU TRANS-  
MITTED TO ME THE NOTIFICATIONS AGAINST BRAZIL BY THE  
EUROPEAN COMMUNITIES AND THE UNITED STATES DELEGA-  
TIONS ON "QUANTITATIVE RESTRICTIONS AND MEASURES OF  
A SIMILAR EFFECT", IN THE FRAMEWORK OF THE PROCEDURE  
OF BILATERAL OR PLURILATERAL CONSULTATIONS AND DIS-  
CUSSIONS AGREED TO BY THE SUB-GROUP "QUANTITATIVE

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RESTRICTIONS" AT ITS MEETING OF APRIL LAST, I HAVE

THE HONOUR TO INFORM YOU, UPON INSTRUCTIONS FROM MY GOVERNMENT, THAT THE BRAZILIAN DELEGATION IS NOT PREPARED TO ENTER INTO CONSULTATIONS OR DISCUSSIONS ON THE ABOVE-MENTIONED NOTIFICATIONS MADE BY OUR DEVELOPED TRADING PARTNERS UNTIL SUCH TIME WHEN ONE WOULD BE IN A POSITION TO ASCERTAIN THE ADDITIONAL BENEFITS THAT SHOULD ACCRUE FOR THE TRADE OF DEVELOPING COUNTRIES, AS STATED IN THE TOKYO DECLARATION, AND IN THE LIGHT OF DEVELOPMENTS IN THE MULTILATERAL TRADE NEGOTIATIONS AS A WHILE AND IN THE FIELD OF NON-TARIFF BARRIERS AND QUANTITATIVE RESTRICTIONS, IN PARTICULAR.

"IN ADDITION, IN THE CASE OF THE NOTIFICATION MADE BY THE EUROPEAN COMMUNITIES, IT SHOULD BE POINTED OUT THAT 'EXPORT RESTRICTIONS' ARE NOT COVERED IN THE TOKYO DECLARATION AND NO AGREEMENT HAS BEEN REACHED ON WHETHER, AND IF SO, HOW, SUCH MATTERS WOULD BE DEALT WITH IN THE FRAMEWORK OF THE MULTILATERAL TRADE NEGOTIATIONS." END UNCLASSIFIED.

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2. BRAZILIAN DELEGATION, WHICH ACTED ON INSTRUCTION FROM BRASILIA, INFORMALLY ADVISED USDEL NOT TO TAKE THEIR ACTION TOO SERIOUSLY, EMPHASIZING THAT THIS WAS A NEGOTIATING POSITION AT THIS STAGE OF THE NEGOTIATIONS. HOWEVER, THEY BELIEVE THAT AGREEMENT ON IMPLEMENTATION OF MULTILATERAL COMMITMENT TO SPECIAL AND DIFFERENTIATED TREATMENT IS NECESSARY BEFORE SUBSTANTIVE DISCUSSIONS CAN BEGIN (MEMCON POUCH STR). BRAZIL DEL SIMILARLY HAS NOT NOTIFIED OTHER COUNTRIES OF QR'S IT WISHES TO DISCUSS WITH THEM.

3. USDEL DOES NOT BELIEVE THAT IT WOULD BE PRODUCTIVE AT THIS TIME TO RESPOND TO BRAZIL'S POSITION ON EXPORT RESTRAINTS SINCE IT IS DIRECTED TOWARDS THE EC. RESPONSE ON CONTENTION THAT ER'S NOT COVERED BY TOKYO DECLARATION SHOULD BE DEALT WITH IN MORE GENERAL CONTEXT OF APPROPRIATE WORKING GROUPS THIS FALL.

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4. USDEL BELIEVES, HOWEVER, THAT BRAZIL'S POSITION ON QR CONSULTATIONS WARRANTS FORMAL REPLY. REFUSAL TO CONSULT ON ANY QR, AS OPPOSED TO QR'S ON AGRICULTURAL PRODUCTS, IS CONTRARY TO THE AGREEMENT OF THE QR SUBGROUP. FOR THIS REASON WE DO NOT BELIEVE THAT RESPONSE TO BRAZIL WOULD BE VIEWED AS SINGLING OUT LDC'S FOR CRITICISM WHEN WE DID NOT RESPOND TO EC AND NORDIC POSITION ON AGRICULTURE QR'S. WE ARE ALSO

CONCERNED THAT THIS IS OMINOUS PRECEDENT FOR BRAZIL'S ACTION ON OTHER GROUPS.

5. WE WOULD PROPOSE RESPONSE ON FOLLOWING LINES:

QUOTE:

SIR:

I REFER TO YOUR LETTER OF AUGUST 7 TRANSMITTED TO THIS DELEGATION BY THE GATT SECRETARIAT CONCERNING THE UNITED STATES' REQUEST FOR CONSULTATIONS ON QUANTITATIVE RESTRICTIONS MAINTAINED BY YOUR COUNTRY.

THIS DELEGATION ACKNOWLEDGES WITH CONCERN THE REFUSAL BY YOUR DELEGATION TO PARTICIPATE IN BILATERAL OR PLURILATERAL CONSULTATIONS OR DISCUSSIONS ON QUANTITATIVE RESTRICTIONS. AT THE NON-TARIFF MEASURES SUB-GROUP MEETING ON QUANTITATIVE RESTRICTIONS OF APRIL 22-30, 1975, IT WAS AGREED, INTER ALIA, THAT:

"AS AN INITIAL STEP TOWARDS THE WORKING OUT OF SOLUTIONS, A PROCESS OF INFORMATION, EXAMINATION AND DIALOGUE WOULD BE UNDERTAKEN WITH RESPECT TO EXISTING QUANTITATIVE RESTRICTIONS. THIS PROCESS SHOULD ELUCIDATE, INTER ALIA, WHETHER RESTRICTIONS ARE MAINTAINED IN ACCORDANCE WITH THE GENERAL AGREEMENT AND SHOULD ALSO ELUCIDATE THE ECONOMIC AND SOCIAL CIRCUMSTANCES UNDERLYING PARTICULAR RESTRICTIONS IN IMPORTING COUNTRIES.

"THIS PROCESS OF INFORMATION, EXAMINATION AND DIALOGUE WOULD TAKE PLACE THROUGH DETAILED BILATERAL OR PLURILATERAL CONSULTATIONS OR DISCUSSIONS BETWEEN COUNTRIES MAINTAINING RESTRICTIONS AND COUNTRIES NOTIFYING A DIRECT TRADE INTEREST LIMITED OFFICIAL USE

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IN THESE RESTRICTIONS THROUGH THE SECRETARIAT. THESE CONSULTATIONS OR DISCUSSIONS MIGHT INCLUDE SPECIFIC SUGGESTIONS FOR ACTION IN REGARD TO INDIVIDUAL RESTRICTIONS. FLEXIBILITY SHOULD BE ALLOWED FOR DEVELOPING COUNTRIES TO PARTICIPATE ADEQUATELY IN THIS PROCESS."

WE BELIEVE THAT YOUR REPLY TO OUR REQUEST TO INITIATE THE ABOVE PROCEDURE IS INCONSISTENT WITH THIS AGREEMENT AS CONTAINED IN MTN/NTM/2.

IN REGARD TO THE STATEMENT IN YOUR LETTER THAT "THE BRAZILIAN DELEGATION IS NOT PREPARED TO ENTER INTO CONSULTATIONS OR DISCUSSIONS ON THE ABOVE MENTIONED NOTIFICATIONS MADE BY OUR DEVELOPED TRADING PARTNERS UNTIL SUCH TIME WHEN ONE WOULD BE IN A POSITION TO ASCERTAIN THE ADDITIONAL BENEFITS THAT SHOULD

ACCRUE FOR THE TRADE OF DEVELOPING COUNTRIES," THIS DELEGATION DOES NOT UNDERSTAND HOW THESE ADDITIONAL BENEFITS COULD BE DETERMINED WITHOUT THE INITIATION OF THE CONSULTATIVE PROCESS.

THE UNITED STATES HAS STATED IN THE PAST THAT WE ARE WILLING TO CONSIDER, ON A PRIORITY BASIS, QUANTITATIVE RESTRICTIONS OF INTEREST TO THE DEVELOPING COUNTRIES. WE HAD HOPED THAT THE PROCESS OF NOTIFICATION CONSULTATION ENVISIONED BY THE QUANTITATIVE RESTRICTIONS SUB-GROUP WOULD PROVIDE THIS BASIC INFORMATION. IN THIS CONNECTION, THIS DELEGATION HAS, TO DATE, RECEIVED QUANTITATIVE RESTRICTION NOTIFICATIONS AND REQUESTS FOR CONSULTATIONS FROM EIGHT DEVELOPING COUNTRIES. THIS DELEGATION HAD HOPED THAT BRAZIL, AS A LEADER AMONG THE DEVELOPING COUNTRIES, WOULD ALSO PARTICIPATE IN THIS MUTUALLY ADVANTAGEOUS EXCHANGE OF INFORMATION.

FOR THE ABOVE REASONS, AND TO ENSURE THAT THE PROCESS OF THE NEGOTIATIONS CONTINUES APACE, THIS DELEGATION URGES YOUR GOVERNMENT TO RECONSIDER YOUR REFUSAL TO INITIATE CONSULTATIONS AT THIS TIME.

UNQUOTE. WALKER

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## Message Attributes

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**Channel Indicators:** n/a  
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**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 AUG 1975  
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**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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